

91-70-C
90-676-C
2008-135-C
2011-311-C
2010-275-C

Lance J.M. Steinhart, P.C.
Attorney At Law
1725 Windward Concourse
Suite 150
Alpharetta, Georgia 30005

233234
233235
233236
233237
233238

Also Admitted in New York
and Maryland

Telephone: (770) 232-9200
Facsimile: (770) 232-9208
Email: lsteinhart@telecomcounsel.com

November 1, 2011

VIA OVERNIGHT DELIVERY

Mr. Charles L.A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Ste. 100
Columbia, SC 29210
(803) 896-5100

✓

RECEIVED
2011 NOV - 2 PM 01:10
SC PUBLIC SERVICE
COMMISSION

Re: ASP GTEL Holdco, LLC and Global Tel*Link Corporation, Value-Added
Communications, Inc. and Public Communications Services, Inc.
Transfer of Control and Financing Transactions

Dear Mr. Terreni:

Please be advised that Global Tel*Link Corporation ("GTL"), Value-Added Communications, Inc. ("VAC"), Public Communications Services, Inc. ("PCS") and ASP GTEL Holdco, LLC ("ASP GTL") (GTL, VAC, PCS and ASP GTL hereinafter collectively referred to as the "Parties"), will be undergoing the following transaction: Transfer of Control of GTL, VAC and PCS (GTL, VAC and PCS hereinafter collectively referred to as the "Service Providers") to ASP GTL as described herein (the "Proposed Transaction"). In addition, ASP GTL will be issuing debt and related financing transactions, as described herein (the "Proposed Financing").

The Parties are in the process of obtaining all required approvals for the Proposed Transaction and the Proposed Financing from both the Federal Communications Commission ("FCC") and all applicable state regulatory authorities, including the Commission.

In connection therewith, we provide the following information:

RECEIVED
2011-11-01 10:10
SOUTH CAROLINA
PUBLIC SERVICE
COMMISSION

I. The Parties and Affiliates

A. Global Tel*Link Corporation

GTL is a privately-held Delaware corporation whose principal offices are located at 2609 Cameron Street, Mobile, Alabama 36607. GTL is a wholly-owned subsidiary of GTEL Holdings, Inc. GTL is engaged in the business of providing managed telecommunications services to inmates of state and county departments of corrections and in owning and operating prison payphones and public payphones. These services enable inmates to communicate with friends, family members, legal counsel and other approved parties outside the correctional facilities. GTL provides these services throughout most of the continental United States. GTL currently holds the following authorization in the State of South Carolina: Certificate of Public Convenience and Necessity to Operate as a Reseller of Telecommunications Services and Operator Services (Docket No. 91-070-C granted on April 23, 1992) and Name Change (granted on June 22, 1995). GTL currently provides managed inmate services in the State of South Carolina. Following the Proposed Transaction, GTL will continue to provide services at the same or similar rates, terms and conditions without any immediate changes.

B. GTEL Holdings, Inc.

GTEL Holdings is a privately-held Delaware corporation whose principal offices are located at 2609 Cameron Street, Mobile, Alabama 36607. GTEL Holdings is a holding company, whose only business activities are conducted through the Service Providers. GTEL Holdings is a wholly-owned direct subsidiary of GTEL Acquisition Corp.

C. GTEL Acquisition Corp.

GTEL Acquisition Corp. is a privately-held Delaware corporation whose principal offices are located at 590 Madison Avenue, 41st Floor, New York, New York 10022. GTEL Acquisition Corp. is a holding company, whose only business activities are conducted through the Service Providers. GTEL Acquisition Corp. is wholly-owned by GTEL Holding LLC, a privately-held Delaware limited liability company whose principal offices are located at 590 Madison Avenue, 41st Floor, New York, New York 10022.

D. GTEL Holding LLC

GTEL Holding LLC is a privately-held Delaware limited liability company whose principal offices are located at 590 Madison Avenue, 41st Floor, New York, New York 10022. GTEL Holding LLC is controlled by a board of managers including the CEO of GTL and other managers appointed by The Veritas Capital Fund III, L.P. and GS Direct, L.L.C. The Veritas Capital Fund III, L.P. is a private equity investment partnership managed by its sole general partner, Veritas Capital Partners III, L.L.C., a Delaware limited liability company. Veritas Capital Partners III, L.L.C. is controlled by its managing

member, Robert B. McKeon, the managing member of Veritas Capital Fund Management, L.L.C. d/b/a Veritas Capital. Veritas Capital is a private equity investment firm headquartered in New York. Founded in 1992, Veritas Capital invests in a broad range of companies through buyouts, growth capital investments and leveraged recapitalizations. The firm's primary objective is to partner with experienced management teams to develop leading companies in their respective markets. In addition to providing long-term capital, the firm works closely with its management partners in creating and executing a well-defined strategic plan that exploits a company's core competencies as well as attractive industry dynamics. Principals at Veritas Capital bring long term investing experience through a variety of economic conditions allowing the firm to apply its skills and capital to a broad spectrum of industries. However, Veritas Capital has developed specific expertise in the defense, aerospace, government services, media/telecommunications, consumer products and specialty manufacturing industries.

The Goldman Sachs Group, Inc. owns all of the equity interests in GS Direct, L.L.C., and GS Direct, L.L.C.'s sole manager is Goldman, Sachs & Co. All of the limited partner equity interests in Goldman, Sachs & Co. are held directly or indirectly by The Goldman Sachs Group, Inc., and The Goldman, Sachs & Co. L.L.C. controls Goldman, Sachs & Co. as its sole general partner. All of the equity interests (voting and non-voting) in The Goldman, Sachs & Co. L.L.C. are held by The Goldman Sachs Group, Inc., which is a public company listed on the New York Stock Exchange. GS Direct, L.L.C. invests capital primarily alongside corporate and sponsor clients in situations in which access to its or its affiliates' capital, relationships or advisory services can enhance the value of the investment. The Goldman Sachs Group, Inc., a bank holding company, provides investment banking, securities and investment management services primarily to corporations, financial institutions, governments and high-net-worth individuals worldwide.

E. Value-Added Communications, Inc.

VAC is a privately-held Delaware corporation whose principal offices are located at 3801 E. Plano Parkway, Suite 100, Plano, Texas 75074. VAC is a wholly-owned subsidiary of VAC Holding, Inc., a Texas corporation, which is in turn a direct subsidiary of GTL. VAC is engaged in the business of providing managed telecommunications services to inmates of state and county departments of corrections and in owning and operating prison payphones and public payphones. These services enable inmates to communicate with friends, family members, legal counsel and other approved parties outside the correctional facilities. VAC provides these services throughout most of the continental United States. VAC currently holds the following authorization in the State of South Carolina: Certificate of Public Convenience and Necessity to Provide Intrastate Operator Assisted Resold Telecommunication Services (Docket No. 90-676-C, Order No. 91-101 granted on January 31, 1991). VAC currently provides managed inmate services in the State of South Carolina. Following the Proposed Transaction, VAC will continue to provide services at the same or similar rates, terms and conditions without any immediate changes.

F. Public Communications Services, Inc.

PCS is a privately-held California corporation whose principal offices are located at 107 St. Francis Street, 33rd Floor, Mobile, Alabama 36602. PCS is a wholly-owned direct subsidiary of GTL. PCS is engaged in the business of providing managed telecommunications services to inmates of state and county departments of corrections and in owning and operating prison payphones and public payphones. These services enable inmates to communicate with friends, family members, legal counsel and other approved parties outside the correctional facilities. PCS provides these services throughout most of the continental United States. PCS currently holds the following authorization in the State of South Carolina: Certificate of Public Convenience and Necessity to Provide Intrastate Telecommunications Services and for Alternative Regulation (Docket No. 2008-135-C granted on October 7, 2010). PCS currently provides managed inmate services in the State of South Carolina. Following the Proposed Transaction, PCS will continue to provide services at the same or similar rates, terms and conditions without any immediate changes.

G. ASP GTEL Holdco, LLC

ASP GTEL Holdco, LLC ("ASP GTL") is a privately-held Delaware limited liability company whose principal offices are located at 299 Park Avenue, 34th Floor, New York, New York 10171. ASP GTL is not currently providing telecommunications in any state. ASP GTEL Investco, LLC ("ASP Investco"), a Delaware limited liability company, will own more than 90% of ASP GTL, with the remainder, in an exact amount yet to be determined, to be owned by current management of GTL. ASP Investco in turn is controlled by American Securities Partners VI, LP ("ASP VI"), a Delaware limited partnership. The general partner of ASP VI is American Securities Associates VI, LLC ("ASA VI"), a Delaware limited liability company. The Managing Members of ASA VI are Michael G. Fisch and David Horing. After the Proposed Transaction is complete, ASP GTL will replace GTEL Holding LLC, however the management and technical teams in charge of operations for each of the subsidiary Service Providers will not change as a result of the Proposed Transaction.

As result of the Proposed Transaction, the Service Providers will have access to the resources of ASA VI, a leading middle-market private equity firm with a consistent track record of building and sustaining enduring businesses. ASA VI undertakes long term, up to 25 years, investments in stable demand industries. It seeks companies with proven management who become its business partners. ASA VI makes available to management a resources group of functional experts, all of whom are employed by ASA VI. This group is available at management's request to provide expert advice and guidance to help improve operations and to make sound strategic, technological and financial decisions.

II. Designated Contacts

The designated contacts for questions concerning this Notice are:

Lance J.M. Steinhart, Esq.
Lance J.M. Steinhart, P.C.
1725 Windward Concourse
Suite 150
Alpharetta, GA 30005
(770) 232-9200 (Telephone)
(770) 232-9208 (Facsimile)
lsteinhart@telecomcounsel.com (E-Mail)

Attorney for Global Tel*Link Corporation,
Value-Added Communications, Inc.,
Public Communications Services, Inc.
and GTEL Holdings, Inc.

Michael H. Pryor, Esq.
DowLohnes PLLC
1200 New Hampshire Avenue, Suite 800
Washington, DC 20036
(202) 776-2339 (Telephone)
(202) 776-4339 (Facsimile)
mpryor@dowlohnesh.com (E-Mail)

Attorney for ASP GTEL Holdco, LLC

III. Description of Transfer of Control

On October 28, 2011, ASP GTL, GTEL Holding LLC and GTEL Acquisition Corp. entered into a Stock Purchase Agreement (the "Agreement"). GTEL Holding LLC is the ultimate parent company of the Service Providers, and holds the Service Providers through GTEL Holdings, Inc. (direct parent of GTL) and GTEL Acquisition Corp. (direct parent of GTEL Holdings, Inc.), neither of which provide any telecommunications services or hold any telecommunications authorizations. Pursuant to the Agreement, ASP GTL will purchase all of the stock of GTEL Acquisition Corp. As a result, GTEL Holding LLC will transfer control of GTEL Acquisition Corp., GTEL Holdings, Inc., GTL, VAC, Conversant Technologies, Inc. ("CTI"), DSI-ITI, LLC ("DSI") and PCS to ASP GTL. GTEL Acquisition Corp. will become a wholly-owned subsidiary of ASP GTL, which will own 100% of the stock of GTL Acquisition Corp. and which will result in ASP GTL acquiring ultimate control of GTL and its wholly-owned subsidiaries VAC, CTI, DSI and PCS. For the Commission's convenience, pre- and post-Transaction corporate organizational structure charts depicting the transfer of control are provided as Exhibit A.

The Parties intend to close the Proposed Transaction no later than December 1, 2011.

The Proposed Transaction does not involve the assignment of the Service Providers' telecommunications authorizations or their customers. Customers of the Service Providers will continue to receive their existing services at the same or similar rates, terms and conditions without any immediate changes. The Proposed Transaction will be transparent to the customers of the Service Providers. It is anticipated that the current management of the Service Providers will remain.

The closing is subject to obtaining all necessary state and federal approvals of the Proposed Transaction and the Proposed Financing. The Proposed Transaction will provide the Service Providers with greater operating flexibility to pursue operating purposes, including, without limitation, (a) expansion of their telecommunications infrastructure; (b) improvement of customer service, billing, financial reporting and other management information systems; and (c) possible acquisitions, future investments or strategic alliances. The Service Providers will continue to provide services pursuant to the terms and conditions set forth in their respective tariffs, which are on file with the Commission.

There is no plan to notify customers. There will be no impact on customers because the proposed transfer of control will be completed at the holding company level, and thus the transaction will be entirely transparent to the Service Providers' customers and will have no effect on the services those customers currently receive. There will be no change in the name of the Service Providers.

IV. Description of Issuance of Debt and Related Financing Transactions

To finance the stock purchase, GTL will enter into a term credit facility of up to \$605 million (6-year maturity from the Closing Date) and a revolving credit facility of \$50 million (5-year maturity from the Closing Date). GTL will retire approximately \$558 million of debt (secured by substantially all of the assets and property of GTEL Holdings, Inc., and its subsidiaries, including the Service Providers) at the time of closing. Additional credit, not to exceed \$145 million, may be obtained post-closing by GTL. The Parties therefore request authorization to incur aggregate debt of up to \$800 million, which will be (a) secured by substantially all of the assets and property of GTEL Holdings, Inc., and its subsidiaries, including the Service Providers and any additional subsidiaries acquired from time to time, including but not limited to a perfected first-priority pledge of all the equity interests of such subsidiaries, including the Service Providers and any additional subsidiaries acquired from time to time; and (b) guaranteed by GTEL Holdings, Inc., and its subsidiaries, including the Service Providers and any additional subsidiaries acquired from time to time.

V. Public Interest Analysis

The Parties respectfully submit that the Proposed Transaction is in the public interest because it will enhance the Service Providers' ability to compete in the market for telecommunications services in South Carolina. The Proposed Transaction will strengthen the Service Providers as competitors by providing access to financial resources necessary to expand their respective customer bases and develop new products and services to meet the evolving communications needs of authorities in South Carolina that operate correctional institutions and other confinement facilities.

The Proposed Transaction will have no adverse effect upon customers. The Proposed Transaction will not result in any changes to the Service Providers' provision of service to their respective current customers. The Service Providers' corporate officers and management team responsible for their day-to-day operations are expected to remain essentially the same immediately following the Proposed Transaction. The Proposed Transaction will not have an adverse effect on non-management employees of the Service Providers, and no staff reductions are presently contemplated. In addition, the contact points for customers and Commission inquiries will remain the same after the Proposed Transaction. Nor does the Proposed Transaction raise any competitive concerns. ASP GTL holds no investments in the type of telecommunications authorizations held by or services offered by the Service Providers, and thus the Proposed Transaction will not result in any consolidation in the market for telecommunications services to the corrections industry in South Carolina. The only impact of the Proposed Transaction is financial in that the Service Providers will obtain access to increased resources necessary to become even more effective competitors.

South Carolina Public Service Commission

Page 8

November 1, 2011

I have also attached an extra copy of this letter to be date stamped and returned in the enclosed prepaid overnight FedEx Express envelope.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me.

Respectfully submitted,



Lance J.M. Steinhart
Attorney for Global Tel*Link Corporation

Enclosures

cc: David Silverman, Esq.
Michael H. Pryor, Esq.

List of Exhibits

Exhibit A – Organizational Charts

EXHIBIT A

Organizational Charts

Pre-Transaction Organizational Chart



Post-Transaction Organizational Chart

